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January 24, 1994

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Mr. Steve C. Tribble, Director  
Division of Records and Reporting  
Florida Public Service Commission  
101 East Gaines Street  
Tallahassee, Florida 32399-0850

**ORIGINAL  
FILE COPY**

Re: Fuel and Purchased Power Cost Recovery Clause  
with Generating Performance Incentive Factor;  
FPSC Docket No. 81000-21

Dear Mr. Tribble:

Enclosed for filing in the above docket, on behalf of Tampa Electric Company, are fifteen (15) copies of each of the following:

- 00793-94 1. Petition of Tampa Electric Company.
- 00795-94 2. Prepared Direct Testimony of Mary Jo Pennino and Exhibit (MJP-2) regarding Tampa Electric's projected Total Fuel and Purchased Power Cost Recovery Factors and Exhibit (MJP-3) regarding projected Capacity Cost Recovery Factors for the period April 1994 - September 1994.
- 00794-94 3. Prepared Direct Testimony of E. A. Townes and R. F. Tomczak and Exhibit (RFT/EAT-2) regarding Schedules Supporting the Oil Backout Cost Recovery Factor for the period April 1994 - September 1994 and Exhibit (RFT/EAT-3) regarding the Gannon Conversion Project Comparison of Projected Payoff with Original Estimate as of November 1993.

Please acknowledge receipt and filing of the above by stamping the duplicate copy of this letter and returning same to this writer.

Thank you for your assistance in connection with this matter.

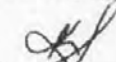
Sincerely,

  
James D. Beasley

JDB/pp  
encls.

cc: All Parties of Record (w/enc.)

RECEIVED & FILED

  
FPSC-BUREAU OF RECORDS

DOCKET NO. ~~940001-EI~~  
TAMPA ELECTRIC COMPANY  
OIL BACKOUT  
SUBMITTED FOR FILING 01/24/94

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TAMPA ELECTRIC COMPANY  
BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION  
DOCKET NO. 940001-EI

Re: Levelized Oil Backout Cost Recovery Factor  
April 1994 - September 1994

TESTIMONY AND EXHIBITS OF:

E. A. Townes

DOCUMENT NUMBER-DATE

00794 JAN 24 94

FPSC-RECORDS/REPORTING

1                   **BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION**

2                                   **PREPARED DIRECT TESTIMONY**

3   **OF**

4   **ELIZABETH A. TOWNES**

5  
6           **Q.**    Would you please state your name and address?  
7

8           **A.**    My name is Elizabeth A. Townes.    My business address is  
9                   702 North Franklin Street, Tampa, Florida 33602.  
10

11          **Q.**    Please describe your educational background and  
12                   experience.  
13

14          **A.**    I received a Bachelor of Business Administration degree in  
15                   Accounting from Florida International University in 1978  
16                   and a Master of Business Administration from the  
17                   University of Tampa in 1982.    I am a Certified Public  
18                   Accountant in the state of Florida and a Member of the  
19                   Florida Institute of Certified Public Accountants and  
20                   American Institute of Certified Public Accountants.  
21

22                   Prior to joining Tampa Electric Company in January 1982, I  
23                   was employed by General Telephone Company of Florida.    I  
24                   joined Tampa Electric as a regulatory accountant.    In  
25                   September 1983, I was promoted to Manager-Regulatory

1 Control and subsequently in February 1991, I was promoted  
2 to my current position as Assistant Controller.

3  
4 My current responsibilities include accounting for fuel  
5 activities, conservation, oil backout and other regulatory  
6 accounting areas, and the revenue and financial reporting  
7 functions, and accounts payable.

8  
9 Q. Ms. Townes, what is the purpose of your testimony in this  
10 proceeding?

11  
12 A. The purpose of my testimony is to present a summary  
13 computation of the estimated Oil Backout Cost Recovery  
14 Factor to be collected during the six-month projection  
15 period beginning April 1994 and ending September 1994,  
16 including the estimated true-up adjustment required as of  
17 March 1994.

18  
19 Q. Have you prepared documents in support of your testimony?

20  
21 A. Yes. I have jointly prepared with Mr. Tomczak a composite  
22 exhibit titled "Schedules Supporting Oil Backout Cost  
23 Recovery Factor" indicated as Exhibit No. (RFT/EAT-2).  
24 This exhibit is a summary of the detailed computations,  
25 prepared under my supervision and direction, to derive the

1 estimated Oil Backout Cost Recovery Factor. This exhibit  
2 consists of six documents and I will make references in my  
3 testimony to each of the documents and explain the  
4 development, or source, of each line item. I have also  
5 jointly prepared with Mr. Tomczak Exhibit No. (RFT/EAT-3)  
6 titled "Comparison of Projected Payoff with Original  
7 Estimate, as of November 1993." This exhibit provides a  
8 comparison of the estimated payback of the Gannon  
9 conversion project with the original projection submitted  
10 during the 1982 qualification hearings.

11

12 Q. Ms. Townes, would you first please summarize the key  
13 assumptions used in your derivation of the estimated  
14 factor?

15

16 A. Yes. The key assumptions involved with the determination  
17 of the factor for the projection period are the estimated  
18 fuel savings, the estimated revenue requirements  
19 associated with the converted Gannon Units and common  
20 facilities, the estimated energy sales, and the estimated  
21 true-up as of March 1994.

22

23 Q. What is the estimated Oil Backout Cost Recovery Factor  
24 which you have determined for the six-month projection  
25 period ended September 1994?

1     **A.**    The factor which I have determined to be appropriate for  
2            the projection period is .073 cents per kilowatt hour.  
3            This factor is shown on line 19, of Document 1.

4

5     **Q.**    Please explain the computations shown on Document 1.

6

7     **A.**    The computations begin with the estimated energy sales  
8            during the projection period shown on line 1.  These  
9            amounts are consistent with the company's fuel adjustment  
10           filing in this docket.  Lines 2 through 4 reflect the  
11           estimated fuel savings supplied by Mr. Tomczak.  Lines 5  
12           through 10 reflect a computation of the estimated revenue  
13           requirements associated with the Gannon Oil Backout  
14           Project.  Lines 11 through 13 reflect a computation of the  
15           estimated net savings and the amount available for  
16           additional depreciation under the Clause, as determined on  
17           a six-month basis.  Lines 14 through 19 reflect the  
18           computation of the Oil Backout Cost Recovery Factor  
19           including the estimated net true-up adjustment required as  
20           of March 1994.

21

22     **Q.**    Ms. Townes, please explain your computation of revenue  
23            requirements shown on lines 5 through 10.

24

25     **A.**    The computation begins on line 5 with the estimated

1 straight-line depreciation expense associated with the  
2 various components of the Plant in Service investment.  
3 The monthly provisions for depreciation reflected on line  
4 5 are based on the currently approved depreciation rates  
5 for the various components of the Plant in Service  
6 investment. Line 6 reflects the estimated interest  
7 carrying cost of the Plant in Service investment. The  
8 projected monthly interest expense is determined based on  
9 the projected debt cost applied to the average debt  
10 balance for each month. Income tax expense, shown on line  
11 7, is computed on Document 3. The estimated monthly  
12 property tax expense is shown as Taxes Other Than Income  
13 Taxes on line 8. The amounts shown on line 9 represent  
14 the operation and maintenance expense differential which  
15 was furnished by Mr. Tomczak. Total revenue requirements  
16 reflected on line 10 represent the sum of all revenue  
17 requirement components shown on lines 5 through 9.

18

19 Q. Ms. Townes, would you please explain Document 2 reflecting  
20 your computation of the Plant in Service investment?

21

22 A. Yes. Line 1 of Document 2 reflects the actual unrecovered  
23 investment in Plant in Service at the beginning of each  
24 month shown. Since no additional expenditures are  
25 currently anticipated, line 2 indicates no additions to

1 Plant in Service. Line 5 reflects the provision for  
2 depreciation for the period. These are the same amounts  
3 shown on line 5 of Documents 1 and 5. Line 6 reflects the  
4 additional depreciation permitted under the Oil Backout  
5 Recovery Clause, equivalent to 2/3 of the estimated net  
6 savings which is shown on line 13 of Documents 1 and 5.  
7 Line 7 reflects the estimated net unrecovered investment  
8 in Plant in Service at the end of the month.

9  
10 Q. Ms. Townes, would you please explain further the  
11 computation of income tax expense reflected on line 7 of  
12 Documents 1 and 5?

13  
14 A. Yes. The computation of these amounts is shown on  
15 Document 3. Referring to Document 3, lines 1 through 5  
16 agree with amounts shown as components of revenue  
17 requirements including those associated with additional  
18 depreciation, on lines 5, 6, 8, 9, 10 and 13 on Documents  
19 1 and 5. Line 7 reflects the portion of depreciation on  
20 line 2 which represents depreciation of the equity portion  
21 of AFUDC capitalized during construction. As this amount  
22 is not tax deductible, it represents a "permanent"  
23 difference between book and tax basis of plant. Thus,  
24 this portion of depreciation expense for each month must  
25 be added back to book income to compute income before



1 income taxes on line 8. Line 9 reflects the income tax  
2 expense before ratable amortization of investment tax  
3 credits using an effective income tax rate of 38.575%.  
4 Line 10 reflects the ratable amortization of investment  
5 tax credit consistent with the investment recovery via  
6 depreciation expense. Line 11 reflects the total income  
7 tax expense which agrees with amounts shown on line 7 of  
8 Documents 1 and 5.

9  
10 **Q.** Ms. Townes, you indicated earlier that a key assumption in  
11 determining the factor for this projection period is the  
12 estimated true-up adjustment required for the six-month  
13 period ending March 1994. Please explain the calculation  
14 of the net true-up adjustment.

15  
16 **A.** The projected cumulative net true-up adjustment as of  
17 March 1994 represents an overrecovery of \$609,239 as shown  
18 on line 15 of Document 1. The true-up adjustment is  
19 calculated on Documents 4, 5 and 6.

20  
21 The computation begins on Document 4 with the estimated  
22 tariff revenues to be billed under the Clause for each  
23 month in the period from October 1993 through March 1994,  
24 shown on Line 1. The Oil Backout Revenue applicable to  
25 this period is then reduced by the estimated/actual cost

1 recovery under the Clause for each month in the period  
2 from October 1993 through March 1994. The amounts on Line  
3 4 are calculated on Document 5. To this true-up provision  
4 shown on Line 5 by month, is added the beginning of the  
5 month true-up and interest provision, shown on Line 6 for  
6 a cumulative end of the period net true-up before  
7 interest, shown on Line 8. The resulting estimated true-  
8 up provision at March 1994, of \$609,239 is shown on Line  
9 10 of Document 4.

10  
11 Q. What was the projected true-up amount for the six months  
12 ended September 1993 which was included in the Oil Backout  
13 cost recovery for the period October 1993 - March 1994?

14  
15 A. In the filing dated July 7, 1993, the company projected a  
16 cumulative underrecovery of \$4,605 as of September 1993  
17 which is currently being collected. The actual  
18 overrecovery at September 1993 was \$193,724, as reflected  
19 on line 6 of Document 4. The actual overrecovery at  
20 September 30, 1993, is due to lower than anticipated  
21 interest expense.

22  
23 Q. What is the status of the estimated payback of the Gannon  
24 conversion project?

25

1     **A.**   As shown on Exhibit No. (RFT/EAT-3), titled "Comparison of  
2           Projected Payoff with Original Estimate, as of  
3           November 1993," cost recovery is now projected for 2000.  
4           The delay in recovery from the original projection  
5           submitted during the 1982 qualification hearings is due  
6           primarily to reduced estimated fuel savings, as sponsored  
7           by Mr. Tomczak.

8

9     **Q.**   Please explain any significant variances noted in the  
10          payoff comparison.

11

12    **A.**   Actual straight-line depreciation is less than the  
13          original projection in 1982 due to overestimating the  
14          depreciation associated with early retirement of the  
15          existing plant.

16

17          Significant variances noted in the cost of capital and  
18          income tax components are due to the current estimate  
19          being based on the approved 100% debt financing; whereas,  
20          the original estimate was based on conventional financing,  
21          which included a combination of debt and equity. Since  
22          conventional financing included an equity component,  
23          income taxes were provided on the return associated with  
24          the equity component.

25

1 An estimate for taxes other than income taxes was not  
2 included in the original estimate. An estimate is now  
3 included since property taxes can be more reasonably  
4 determined.

5  
6 In the original estimate, revenue taxes were included as  
7 part of the base revenue requirement (the sum of straight-  
8 line depreciation, cost of capital, income taxes, taxes  
9 other than income taxes, operation and maintenance  
10 differential, and revenue taxes). Revenue taxes are now  
11 excluded from the base revenue requirement. The  
12 Regulatory Assessment fee is included in the total to be  
13 billed by grossing up the Oil Backout factor.

14  
15 The net result of the changes between the original and  
16 current estimate is a decrease in base revenue  
17 requirement. However, the expected additional  
18 depreciation has declined due to reduced fuel savings.  
19 Additional depreciation is computed as two-thirds of the  
20 excess of fuel savings over the base revenue requirement  
21 determined on a six-month filing period as required under  
22 the Oil Backout Clause.

23  
24 Q. Ms. Townes, does this conclude your testimony?  
25

1 A. Yes, it does.

2

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DOCKET NO. 940001-EI  
TAMPA ELECTRIC COMPANY  
OIL BACKOUT  
SUBMITTED FOR FILING 01/24/94

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TAMPA ELECTRIC COMPANY

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BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

8

DOCKET NO. 940001-EI

9

10

Re: Levelized Oil Backout Cost Recovery Factor

11

April 1994 - September 1994

12

13

14

TESTIMONY AND EXHIBITS OF:

15

16

R. F. Tomczak

17

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1                   BEFORE THE FLORIDA PUBLIC SERVICE COMMISSION

2                               PREPARED DIRECT TESTIMONY

3   OF

4   R. F. TOMCZAK

5  
6       Q.    Please state your name, address and occupation.

7  
8       A.    My name is Robert F. Tomczak. My mailing address is P. O.  
9            Box 111, Tampa, Florida 33601, and my business address is  
10           6820 South Tamiami Trail, North Ruskin, Florida 33570. I  
11           am Vice President-Production Operations and Maintenance of  
12           Tampa Electric Company.

13  
14      Q.    Please furnish a brief outline of your educational  
15            background and business experience.

16  
17      A.    I graduated in 1962 from the University of Buffalo with a  
18            Bachelor of Science degree in Industrial Engineering. In  
19            1970, I completed the Public Utility Executive Course at  
20            the Georgia Institute of Technology, and in 1984 I  
21            completed the Public Utility Executive Program at the  
22            University of Michigan. My career at Tampa Electric  
23            Company began in 1962 when I was employed as a  
24            Distribution Engineer. Since that time I have served as  
25            Meter Engineer, Manager of Meter Operations, General

1           Manager of Western Service Area, Assistant to the  
2           President, Manager - Gannon Station, General Manager -  
3           Traveling Maintenance, Assistant to the Vice President -  
4           Production, and General Manager - Production Services. In  
5           1985, I was elected to my current position as Vice  
6           President - Production Operations and Maintenance.

7  
8           Q.   Will you describe some of the responsibilities of your  
9           present position?

10  
11          A.   As Vice President - Production Operations and Maintenance,  
12          I am responsible for the engineering, operation,  
13          maintenance, and construction of the power production  
14          facilities to include safety of personnel and equipment,  
15          security, training, control of costs, and various  
16          personnel and administrative functions.

17  
18          Q.   Mr. Tomczak, what is the objective of your testimony?

19  
20          A.   The objective of my testimony is to present the cost  
21          associated with the conversion of four of Tampa Electric  
22          Company's generating units from oil to coal. In addition,  
23          I will sponsor the calculation of the operation and  
24          maintenance expense differential and the determination of  
25          fuel savings for the projection period and the projected



1           payoff period.

2

3       **Q.**   How does your testimony relate to the testimony of other  
4           witnesses in this proceeding?

5

6       **A.**   Ms. Elizabeth Townes is sponsoring the overall calculation  
7           of the company's Oil Backout Cost Recovery Factor for the  
8           period April 1994 - September 1994, as well as the  
9           estimated payoff period for the total project. In these  
10          calculations, Ms. Townes develops the basic revenue  
11          requirements of the project using the actual cost of the  
12          conversion assets, and my projection of the operation and  
13          maintenance expense differential and the fuel savings  
14          resulting from the conversion. Kilowatt-hour sales and  
15          fuel costs are consistent with those used in the company's  
16          fuel adjustment filing.

17

18       **Q.**   Have you prepared documents in support of your testimony?

19

20       **A.**   Yes. I have prepared portions of documents which are  
21          included in a composite Exhibit No. (RFT/EAT-2) titled  
22          "Schedules Supporting Oil Backout Cost Recovery Factor"  
23          and Exhibit No. (RFT/EAT-3) titled "Comparison of  
24          Projected Payoff with Original Estimate, as of November  
25          1993." These exhibits are being jointly sponsored by

1 Ms. Townes and me.

2

3 Q. What is the status of the project?

4

5 A. The conversion of Gannon units 1 through 4 from oil to  
6 coal is complete. The units were placed into commercial  
7 service as follows:

8

9 Unit 1	October 6, 1985
10 Unit 2	May 23, 1985
11 Unit 3	July 12, 1984
12 Unit 4	November 7, 1983

13

14 Q. What is the cost of the Oil Backout assets which are  
15 included in the cost recovery computation in this  
16 proceeding?

17

18 A. The total cost of the conversion project to be recovered  
19 through the Clause is \$140.5 million. No additional  
20 expenditures are anticipated.

21

22 Q. What are the projected fuel savings which will occur as a  
23 result of the operation of the converted Gannon units  
24 during the projection period?

25

1     **A.** As shown on Line 4 of Document 1, total fuel savings  
2         resulting from the project for the period April 1994 -  
3         September 1994 are expected to be \$4,088,710. This amount  
4         is based upon the difference in fuel expenses from  
5         production costing runs which simulate dispatch of all  
6         generating units with and without the conversion of the  
7         Gannon units. The assumptions for sales, unit ratings,  
8         heat rates, coal and No. 6 oil prices and availability  
9         factors are consistent with those used by the company in  
10        its fuel adjustment filing in this docket.

11

12     **Q.** Have you calculated the projected operating and  
13         maintenance expense differential of the project for April  
14         1994 - September 1994?

15

16     **A.** Yes, I have calculated the operation and maintenance  
17         expense differential for this period to be \$1,820,793 as  
18         shown on line 9 of Document 1.

19

20     **Q.** Please explain how the operation and maintenance expense  
21         differential was calculated.

22

23     **A.** The operation and maintenance differential consists of the  
24         oil/non-oil operating expense differential and other  
25         projected costs resulting from the Oil Backout project.

1 This differential was calculated by applying a percentage  
2 representing the increased operation and maintenance costs  
3 associated with coal-firing to total projected operation  
4 and maintenance expenses pertaining to the converted  
5 Gannon units. The percentage was derived by comparing  
6 historical operation and maintenance costs for Gannon  
7 units 1-4 as oil-fired to historical operation and  
8 maintenance costs for Gannon units 5 and 6 as coal-fired.  
9 Specifically identifiable costs to be incurred to comply  
10 with the Oil Backout Cost Recovery Rule were added to the  
11 operating expense differential to derive the total  
12 operation and maintenance differential.

13  
14 The operation and maintenance differential as shown on  
15 Exhibit No. (RFT/EAT-3) "Comparison of Projected Payoff  
16 with Original Estimate, as of November 1993," is now  
17 higher than the original estimate since the original  
18 estimate did not include maintaining the assets required  
19 for dual firing capability. In addition, the current  
20 estimate is based on more detailed engineering estimates  
21 and actual experience associated with the converted units.

22  
23 Q. Mr. Tomczak, please explain the decrease in fuel savings  
24 indicated on the projected payoff exhibit.

25

1       **A.** The reduction in fuel savings is due to a decrease in the  
2       projected differential between the price of oil and the  
3       price of coal, and a decrease in the projected system  
4       energy requirements. The current estimate of fuel savings  
5       is based on long-term fuel price and energy projections  
6       prepared in conjunction with this current fuel adjustment  
7       clause filing.

8

9       **Q.** Does this conclude your testimony?

10

11       **A.** Yes.

12

13

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EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 940001-BI  
TAMPA ELECTRIC COMPANY  
(RFT/EAT-2)  
SUBMITTED FOR FILING 1/24/94

TAMPA ELECTRIC COMPANY  
SCHEDULES SUPPORTING OIL BACKOUT  
COST RECOVERY FACTOR  
APRIL 1994 - SEPTEMBER 1994

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 940001-BI  
TAMPA ELECTRIC COMPANY  
(RFT/EAT-2)

OIL BACKOUT COST RECOVERY

INDEX

<u>DOCUMENT NO.</u>	<u>TITLE</u>	<u>PAGE</u>
1	SUMMARY OF OIL BACKOUT COST RECOVERY COMPUTATION WITH FACTOR	1
2	PLANT IN SERVICE INVESTMENT	2
3	COMPUTATION OF OIL BACKOUT INCOME TAXES	3
4	OIL BACKOUT TRUE-UP COMPUTATION	4
5	SUMMARY OF OIL BACKOUT COST RECOVERY COMPUTATION	5
6	CALCULATION OF OIL BACKOUT INTEREST PROVISION	6

**TAMPA ELECTRIC COMPANY**  
**SUMMARY OF OIL BACKOUT**  
**COST RECOVERY COMPUTATION**

April 1994 through September 1994

Line No.	Unit	Witness	Source	April	May	June	July	August	September	Total
1.	Sales	MWH	Tomeczak	<u>1,085,242</u>	<u>1,075,562</u>	<u>1,243,077</u>	<u>1,303,547</u>	<u>1,299,434</u>	<u>1,372,778</u>	<u>7,249,171</u>
Fuel Savings:										
2.	Fuel and Net Power Transactions without Conversion	\$	Tomeczak	\$26,707,654	\$31,489,519	\$34,109,311	\$36,000,360	\$37,708,897	\$34,830,619	\$200,846,362
3.	Fuel and Net Power Transactions with Conversion	\$	Tomeczak	<u>26,095,424</u>	<u>30,612,749</u>	<u>33,144,081</u>	<u>35,368,590</u>	<u>37,286,607</u>	<u>34,449,192</u>	<u>196,257,652</u>
4.	Fuel Savings	\$	Tomeczak	<u>\$611,230</u>	<u>\$1,076,770</u>	<u>\$965,230</u>	<u>\$631,770</u>	<u>\$422,290</u>	<u>\$381,420</u>	<u>\$4,088,710</u>
Revenue Requirements:										
5.	Straight-Line Depreciation	\$	Towson Document 2	\$584,605	\$584,605	\$584,605	\$584,605	\$584,605	\$584,605	\$3,507,630
6.	Interest Expense	\$	Towson	113,276	101,585	100,110	108,416	97,162	95,688	616,237
7.	Income Tax Expense	\$	Towson Document 3	(51,961)	(51,961)	(51,961)	(51,961)	(51,961)	(51,961)	(311,766)
8.	Taxes Other Than Income Taxes	\$	Towson	42,395	42,395	42,395	42,395	42,395	42,395	254,370
9.	O & M Differential	\$	Tomeczak	<u>238,171</u>	<u>251,318</u>	<u>288,076</u>	<u>241,946</u>	<u>261,144</u>	<u>440,136</u>	<u>1,870,792</u>
10.	Revenue Requirements	\$	Towson	<u>\$776,486</u>	<u>\$727,942</u>	<u>\$963,225</u>	<u>\$725,601</u>	<u>\$1,033,345</u>	<u>\$1,110,865</u>	<u>\$5,887,264</u>
Additional Depreciation:										
11.	Net Savings	\$	Towson	(\$315,256)	\$148,828	\$2,005	(\$293,631)	(\$611,055)	(\$729,445)	(\$1,790,554)
12.	Customer Retained Savings	\$	Towson	<u>315,256</u>	<u>(148,828)</u>	<u>(2,005)</u>	<u>293,631</u>	<u>611,055</u>	<u>729,445</u>	<u>\$1,790,554</u>
13.	Additional Depreciation	\$	Towson	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14.	Cost Recovery for the Period	\$	Towson	\$926,486	\$927,942	\$963,225	\$925,401	\$1,033,345	\$1,110,865	\$5,887,264
15.	Prior Period Net True-Up	\$	Towson	<u>(101,540)</u>	<u>(101,540)</u>	<u>(101,540)</u>	<u>(101,540)</u>	<u>(101,540)</u>	<u>(101,539)</u>	<u>(609,239)</u>
16.	Total Cost Recovery	\$	Towson	<u>\$824,946</u>	<u>\$826,402</u>	<u>\$861,685</u>	<u>\$823,861</u>	<u>\$931,805</u>	<u>\$1,009,326</u>	<u>\$5,278,025</u>
17.	Oil Backout Cost Recovery Factor	c/KWH	Towson	Line 16 / Line 1						0.07281
18.	Oil Backout Cost Recovery Factor Adjusted for Revenue Taxes	c/KWH	Towson	Line 17 x 1.00083						0.0729
19.	Rounded Oil Backout Recovery Factor	c/KWH	Towson							<u>0.073</u>

EXHIBIT NO. \_\_\_\_\_  
 DOCKET NO. 940001 - EI  
 TAMPA ELECTRIC COMPANY  
 (PFT/BAT-2)  
 DOCUMENT NO. 1  
 PAGE 1 of 1



TAMPA ELECTRIC COMPANY  
PLANT IN SERVICE INVESTMENT  
October 1993 through September 1994

Line No.	Actual October	Actual November	December	January	February	March	April	May	June	July	August	September
1. Beginning Net Plant Balance	\$46,295,176	\$45,710,571	\$45,125,966	\$44,541,360	\$43,956,755	\$43,372,150	\$42,787,545	\$42,202,940	\$41,618,335	\$41,033,730	\$40,449,125	\$39,864,520
2. Addition to Plant in Service	0	0	0	0	0	0	0	0	0	0	0	0
3. Cost of Removal/ Salvage	0	0	0	0	0	0	0	0	0	0	0	0
4. Balance (Lines 1 + 2 + 3)	\$46,295,176	\$45,710,571	\$45,125,966	\$44,541,360	\$43,956,755	\$43,372,150	\$42,787,545	\$42,202,940	\$41,618,335	\$41,033,730	\$40,449,125	\$39,864,520
5. Straight - line Depreciation	(584,605)	(584,605)	(584,606)	(584,605)	(584,605)	(584,605)	(584,605)	(584,605)	(584,605)	(584,605)	(584,605)	(584,605)
6. Additional Depreciation	0	0	0	0	0	0	0	0	0	0	0	0
7. Ending Net Plant Balance	<u>\$45,710,571</u>	<u>\$45,125,966</u>	<u>\$44,541,360</u>	<u>\$43,956,755</u>	<u>\$43,372,150</u>	<u>\$42,787,545</u>	<u>\$42,202,940</u>	<u>\$41,618,335</u>	<u>\$41,033,730</u>	<u>\$40,449,125</u>	<u>\$39,864,520</u>	<u>\$39,279,915</u>

2

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 940001-B1  
TAMPA ELECTRIC COMPANY  
(RTR/AT-2)  
DOCUMENT NO. 2  
PAGE 1 OF 1

**TAMPA ELECTRIC COMPANY**  
**COMPUTATION OF OIL BACKLIT INCOME TAXES**  
October 1993 through September 1994

Line No.	Source	Actual October	Actual November	December	January	February	March	April	May	June	July	August	September
1.	Revenue - base - add deprec	Document   A 5, Line 10 2863,757 0	2892,749 0	\$ (855,932 0	825,585 0	810,169 0	878,549 0	826,484 0	827,942 0	843,225 0	872,491 0	8183,343 0	81,182,843 0
2.	Depreciation - straight - add	Document   A 5, Line 5 0	(24,885) 0	(24,885) 0	(24,885) 0	(24,885) 0	(24,885) 0	(24,885) 0	(24,885) 0	(24,885) 0	(24,885) 0	(24,885) 0	(24,885) 0
3.	Interest Expense	Document   A 5, Line 6	(82,357)	(82,357)	(788,953)	(118,177)	(84,887)	(84,532)	(112,374)	(78,182)	(78,182)	(78,416)	87,382
4.	Time Other Than Income Taxes	Document 1 A 5, Line 8	26,883	(4,932)	(4,932)	(2,795)	(2,795)	(2,795)	(2,795)	(2,795)	(2,795)	(2,795)	(2,795)
5.	O & M Differential	Document 1 A 5, Line 9	(24,382)	(22,887)	(28,888)	(28,888)	(28,888)	(28,888)	(28,888)	(28,888)	(28,888)	(28,888)	(28,888)
6.	Subtotal	Lines 1+2+3+4+5	(28,644)	(28,961)	(28,961)	(28,961)	(28,961)	(28,961)	(28,961)	(28,961)	(28,961)	(28,961)	(28,961)
7.	Depreciation of AFUDC Equity		2,928	2,928	2,928	2,928	2,928	2,928	2,928	2,928	2,928	2,928	2,928
8.	Income Before Income Taxes	Lines 6+7	(25,716)	(26,033)	(26,033)	(26,033)	(26,033)	(26,033)	(26,033)	(26,033)	(26,033)	(26,033)	(26,033)
9.	Income Taxes	Line 8 x 38.575%	(9,926)	(9,926)	(9,926)	(9,926)	(9,926)	(9,926)	(9,926)	(9,926)	(9,926)	(9,926)	(9,926)
10.	Amortization of ITC		(3,688)	(3,688)	(3,688)	(3,688)	(3,688)	(3,688)	(3,688)	(3,688)	(3,688)	(3,688)	(3,688)
11.	Income Tax Expense	Document 1 A 5, Line 7	(13,614)	(13,614)	(13,614)	(13,614)	(13,614)	(13,614)	(13,614)	(13,614)	(13,614)	(13,614)	(13,614)

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 940001-BI  
TAMPA ELECTRIC COMPANY  
(RPT/BAT-2)  
DOCUMENT NO. 3  
PAGE 1 OF 1

**TAMPA ELECTRIC COMPANY**  
**OIL BACKOUT TRUE-UP COMPUTATION**  
October 1993 through March 1994

Line No.	Actual October	Actual November	December	JANUARY	FEBRUARY	March	Total
1. Oil-Backout Cost Recovery Revenue (Net of Revenue Taxes)	\$1,176,517	\$1,042,284	\$1,032,628	\$1,063,632	\$995,826	\$965,777	\$6,276,664
2. Adjustment not Applicable to this period (Prior true-up)	(750)	(760)	(700)	(768)	(768)	(755)	(4,605)
3. Oil-Backout Revenue Applicable to this period (Line 1 + 2)	1,175,767	1,041,516	1,031,928	1,062,864	995,058	965,012	6,272,059
4. Jurisdictional Oil-Backout Cost Recovery Authorized (Document 5, Line 14)	(863,757)	(992,749)	(1,055,312)	(955,585)	(1,011,689)	(990,560)	(5,869,652)
5. True-up Provision for the Month Over/(Under) Collection (Line 3 + 4)	311,992	48,767	(23,452)	107,279	(16,631)	(25,548)	402,407
6. True-up and Interest Provision for the Month Beginning of the Month	193,724	507,408	558,337	537,130	646,738	632,472	193,724
7. True-up Collected/(Refunded)	760	768	768	768	768	765	4,605
8. End of the Period Net True-up Before Interest (Line 5 + 6 + 7)	506,484	556,943	535,613	645,177	630,875	607,689	600,736
9. Interest Provision for the Month Interest (Document 6, Line 10)	924	1,394	1,477	1,561	1,597	1,550	8,503
10. End of the Period Net True-up Over/(Under) Recovery (Line 8 + 9)	\$507,408	\$558,337	\$537,130	\$646,738	\$632,472	\$609,239	\$609,239

EXHIBIT NO. \_\_\_\_\_  
 DOCKET NO. 940601 - HI  
 TAMPA ELECTRIC COMPANY  
 (RPT/BAT-2)  
 DOCUMENT NO. 4  
 PAGE 1 of 1

TAMPA ELECTRIC COMPANY  
SUMMARY OF OIL BACKOUT  
COST RECOVERY COMPUTATION

October 1993 through March 1994

Line No.	Unit	Witness	Source	Actual October	Actual November	December	JANUARY	FEBRUARY	MARCH	Total	
1.	Sales	MWH	Tomeczak	<u>1,177,498</u>	<u>1,043,153</u>	<u>1,033,482</u>	<u>1,064,512</u>	<u>996,656</u>	<u>966,582</u>	<u>6,281,877</u>	
Fuel Savings:											
2.	Fuel and Net Power Transactions without Conversion	\$	Tomeczak	\$27,302,792	\$24,108,454	\$26,644,403	\$27,303,478	\$23,660,460	\$25,457,212	\$154,480,799	
3.	Fuel and Net Power Transactions with Conversion	\$	Tomeczak	<u>27,448,264</u>	<u>24,356,984</u>	<u>26,711,903</u>	<u>27,302,708</u>	<u>23,507,699</u>	<u>25,201,933</u>	<u>154,516,441</u>	
4.	Fuel Savings	\$	Tomeczak	<u>(117,472)</u>	<u>(3248,530)</u>	<u>(363,500)</u>	<u>1770</u>	<u>1157,770</u>	<u>755,280</u>	<u>(835,652)</u>	
Revenue Requirements:											
5.	Straight-Line Depreciation	\$	Towson	Document 2	\$584,605	\$584,605	\$584,606	\$584,605	\$584,605	\$584,605	\$3,507,631
6.	Interest Expense	\$	Towson		90,357	92,286	108,955	118,137	106,007	104,533	620,275
7.	Income Tax Expense	\$	Towson	Document 3	(58,644)	(51,961)	(51,961)	(51,961)	(51,961)	(51,961)	(318,449)
8.	Taxes Other Than Income Taxes	\$	Towson		(26,883)	54,912	54,912	42,395	42,395	42,395	210,126
9.	O & M Differential	\$	Tomeczak		<u>274,322</u>	<u>312,997</u>	<u>358,809</u>	<u>262,402</u>	<u>330,643</u>	<u>310,988</u>	<u>1,850,062</u>
10.	Revenue Requirements	\$	Towson	Lines 5+6+7+8+9	<u>883,757</u>	<u>892,749</u>	<u>910,553</u>	<u>895,585</u>	<u>810,140</u>	<u>890,560</u>	<u>5,849,652</u>
Additional Depreciation:											
11.	Net Savings	\$	Towson	Line 4 - Line 10	(31,001,229)	(31,241,279)	(31,118,812)	(3954,815)	(3853,919)	(3735,280)	(35,905,334)
12.	Customer Retained Savings	\$	Towson		<u>1,091,229</u>	<u>1,241,279</u>	<u>1,118,812</u>	<u>954,815</u>	<u>853,919</u>	<u>735,280</u>	<u>5,905,334</u>
13.	Additional Depreciation	\$	Towson	Line 11 - Line 12	\$0	\$0	\$0	\$0	\$0	\$0	\$0
14.	Cost Recovery for the Period	\$	Towson	Line 10 + Line 13	\$463,757	\$992,749	\$1,055,312	\$955,585	\$1,011,689	\$990,560	\$5,849,652
15.	Prior Period Net True-Up	\$	Towson	Document 4	<u>(32,287)</u>	<u>(32,287)</u>	<u>(32,287)</u>	<u>(32,287)</u>	<u>(32,287)</u>	<u>(32,289)</u>	<u>(192,724)</u>
16.	Total Cost Recovery	\$	Towson	Line 14 + Line 15	<u>431,470</u>	<u>960,462</u>	<u>1,023,025</u>	<u>923,298</u>	<u>979,402</u>	<u>958,271</u>	<u>5,656,928</u>

5

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 940001-BI  
TAMPA ELECTRIC COMPANY  
(RPT/BAT-2)  
DOCUMENT NO. 5  
PAGE 1 OF 1

TAMPA ELECTRIC COMPANY  
CALCULATION OF OEL BACKOUT INTEREST PROVISION

October 1998 through March 1999

Line No.		Actual October	Actual November	December	JANUARY	FEBRUARY	March	
1.	Beginning Tree - up Amount Document 4, Line 6	\$193,724	\$397,400	\$558,337	\$537,130	\$646,738	\$632,472	
2.	Ending Tree - up Amount Before Interest Document 4, Line 8	<u>196,484</u>	<u>156,942</u>	<u>235,653</u>	<u>645,177</u>	<u>630,875</u>	<u>607,689</u>	
3.	Total Tree - up Amount Line 1 + 2	<u>390,208</u>	<u>554,342</u>	<u>793,990</u>	<u>1,182,307</u>	<u>1,277,613</u>	<u>1,240,161</u>	
4.	Average Tree - up Amount Line 3 / 2	<u>1350.104</u>	<u>1832.176</u>	<u>2546.972</u>	<u>8591.154</u>	<u>8638.807</u>	<u>8620.081</u>	
5.	Interest Rate - First Day of Month	3.190%	3.140%	3.150%	3.340%	3.000%	3.000%	
6.	Interest Rate - First Day of Subsequent Month ②	<u>3.140%</u>	<u>3.150%</u>	<u>3.140%</u>	<u>3.000%</u>	<u>3.000%</u>	<u>3.000%</u>	
7.	Total Beginning and Ending Interest Rate Line 5 + 6	<u>6.330%</u>	<u>6.290%</u>	<u>6.290%</u>	<u>6.340%</u>	<u>6.000%</u>	<u>6.000%</u>	
8.	Average Interest Rate Line 7 / 2	<u>3.165%</u>	<u>3.145%</u>	<u>3.245%</u>	<u>3.170%</u>	<u>3.000%</u>	<u>3.000%</u>	
9.	Monthly Average Interest Rate Line 8 / 12	<u>0.264%</u>	<u>0.262%</u>	<u>0.270%</u>	<u>0.264%</u>	<u>0.250%</u>	<u>0.250%</u>	
10.	Monthly Interest Provision Line 4 x Line 9 for <del>months</del>	<u>3724</u>	<u>21,396</u>	<u>21,477</u>	<u>21,561</u>	<u>21,597</u>	<u>21,558</u>	<u>8,583</u>

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 940001-HI  
TAMPA ELECTRIC COMPANY  
(RFT/EAT-3)  
SUBMITTED FOR FILING 1/24/94

TAMPA ELECTRIC COMPANY  
GANNON CONVERSION PROJECT  
COMPARISON OF PROJECTED PAYOFF WITH ORIGINAL ESTIMATE  
AS OF NOVEMBER 1993

TAMPA ELECTRIC COMPANY  
OIL BACKOUT VARIANCE ANALYSIS

April 1994 through September 1994

Line No.	Description	Actual 1993	Actual 1994	Actual 1995	Actual 1996	Actual 1997	Actual 1998	Actual 1999	Actual 2000	Actual 2001	Actual 2002	Actual 2003	Actual 2004	Actual 2005	Actual 2006	Actual 2007	Actual 2008	Actual 2009	Actual 2010
1.	Straight-Line Depreciation																		
2.	Current Estimate	3617	5,441	7,748	8,351	6,976	7,851	7,816	7,815	7,815	7,816	7,815	7,816	7,815	7,815	7,816	7,815	7,815	2,923
3.	Original Estimate	\$2,620	\$2,876	2,720	2,726	2,845	2,845	2,845	2,845	0	0	0	0	0	0	0	0	0	0
4.	Variance	(\$2,283)	(\$335)	288	(\$375)	(\$869)	(\$74)	(\$629)	(\$330)	7,815	7,816	7,815	7,816	7,815	7,815	7,816	7,815	7,815	2,923
5.	Cost of Capital																		
6.	Current Estimate	\$562	5,657	7,171	7,826	6,592	6,488	6,674	5,447	3,699	2,271	1,879	1,246	1,017	774	586	170	0	0
7.	Original Estimate	\$4,823	8,245	12,658	15,993	14,244	11,719	8,511	4,259	0	0	0	0	0	0	0	0	0	0
8.	Variance	(\$3,461)	(\$2,588)	(\$5,487)	(\$8,167)	(\$7,652)	(\$5,231)	(\$1,837)	1,187	3,699	2,271	1,879	1,246	1,017	774	586	170	0	0
9.	Income Taxes																		
10.	Current Estimate	(\$184)	(2,810)	(2,557)	(527)	(670)	(615)	(649)	(1,025)	(391)	(615)	(624)	(624)	(699)	(594)	(785)	(266)	0	0
11.	Original Estimate	\$2,106	5,229	7,823	9,875	8,484	8,851	4,622	1,564	0	0	0	0	0	0	0	0	0	0
12.	Variance	(\$3,290)	(\$8,039)	(\$10,380)	(\$10,402)	(\$9,154)	(\$7,236)	(\$5,271)	(\$2,589)	(\$391)	(\$615)	(\$624)	(\$624)	(\$699)	(\$594)	(\$785)	(\$266)	0	0
13.	Taxes Other Than Income Taxes																		
14.	Current Estimate	80	811	817	1,274	604	586	785	768	757	785	659	509	474	426	388	321	0	0
15.	Original Estimate	80	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16.	Variance	0	811	817	1,274	604	586	785	768	757	785	659	509	474	426	388	321	0	0
17.	Operation & Maintenance Diff.																		
18.	Current Estimate	\$124	1,106	2,322	3,675	3,858	3,759	3,556	3,600	3,512	3,684	3,603	3,644	3,771	3,911	4,055	4,207	4,361	1,730
19.	Original Estimate	\$729	811	1,878	886	1,211	1,314	1,426	1,547	0	0	0	0	0	0	0	0	0	0
20.	Variance	(\$605)	295	444	2,789	2,647	2,445	2,130	2,053	3,512	3,684	3,603	3,644	3,771	3,911	4,055	4,207	4,361	1,730
21.	Revenue Taxes																		
22.	Current Estimate	80	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23.	Original Estimate	\$171	323	481	378	592	444	358	243	0	0	0	0	0	0	0	0	0	0
24.	Variance	(\$91)	(\$323)	(\$481)	(\$378)	(\$592)	(\$444)	(\$358)	(\$243)	0	0	0	0	0	0	0	0	0	0

EXHIBIT NO. \_\_\_\_\_  
DOCKET NO. 940001-R1  
TAMPA ELECTRIC COMPANY  
(R1/RAT-3)  
DOCUMENT NO. 1  
PAGE 1 of 2

**TAMPA ELECTRIC COMPANY  
OIL BACKOUT VARIANCE ANALYSIS**

April 1994 through September 1994

Line No.	Description	Actual 1983	Actual 1984	Actual 1985	Actual 1986	Actual 1987	Actual 1988	Actual 1989	Actual 1990	Actual 1991	Actual 1992	1993	1994	1995	1996	1997	1998	1999	2000	
25.	Reverse Requirements																			
26.	Current Estimate	\$1,119	9,805	15,501	20,599	17,360	17,269	17,382	15,845	14,593	13,061	11,733	11,791	11,578	11,532	10,900	11,445	11,376	4,653	
27.	Original Estimate	\$19,879	20,494	20,566	25,960	22,292	20,172	22,762	15,442	0	0	0	0	0	0	0	0	0	0	0
28.	Variance	(\$18,751)	(\$10,679)	(\$15,065)	(\$15,361)	(\$4,933)	(\$10,904)	(\$5,380)	226	14,593	13,061	11,733	11,791	11,578	11,532	10,900	11,445	11,376	4,653	
29.	Fuel Savings																			
30.	Current Estimate	\$4,050	20,142	35,339	4,292	14,193	1,526	15,888	20,196	(502)	1,307	(45)	6,509	11,712	10,754	17,503	18,957	21,598	12,757	
31.	Original Estimate	\$3,261	29,222	66,254	65,722	65,209	71,420	81,989	26,182	194,983	192,923	112,116	106,215	0	0	0	0	0	0	0
32.	Variance	\$789	(\$9,080)	(\$10,915)	(\$61,430)	(\$51,016)	(\$69,894)	(\$66,092)	(\$75,986)	(\$105,485)	(\$191,616)	(\$112,161)	(\$99,706)	11,712	10,754	17,503	18,957	21,598	12,757	
33.	Additional Depreciation																			
34.	Current Estimate	\$1,954	6,891	13,225	120	27	0	1,677	3,359	(2,517)	0	0	0	947	(323)	4,473	5,008	6,814	4,823	
35.	Original Estimate	29	0	273	7,892	11,174	12,440	31,821	12,552	0	0	0	0	0	0	0	0	0	0	0
36.	Variance	\$1,925	6,891	12,952	(\$7,772)	(\$11,147)	(\$12,440)	(\$30,144)	(\$16,193)	(\$2,517)	0	0	0	947	(\$323)	4,473	5,008	6,814	4,823	
37.	Accumulated Depreciation *																			
38.	Current Estimate	\$2,571	14,903	35,876	44,347	51,350	58,401	67,094	77,466	81,966	88,982	95,997	103,013	110,975	117,467	129,156	141,179	155,000	162,754	
39.	Original Estimate	\$2,820	8,626	16,697	23,282	22,291	29,586	119,322	146,722	146,722	146,722	146,722	146,722	146,722	146,722	146,722	146,722	146,722	146,722	
40.	Variance	(\$249)	6,277	19,179	21,065	(\$291)	(\$21,185)	(\$52,228)	(\$69,256)	(\$64,756)	(\$57,740)	(\$50,725)	(\$43,709)	(\$35,747)	(\$29,055)	(\$17,566)	(\$5,543)	8,278	16,032	

\* Includes 16% provision for cost removal. (FPC Order No. 19573, 19438)